

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:)	
)	Chapter 11
CELSIUS NETWORK LLC, <i>et al.</i> , ¹)	
)	Case No. 22-10964 (MG)
)	
Debtors.)	(Jointly Administered)
)	

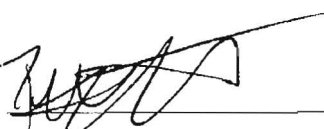
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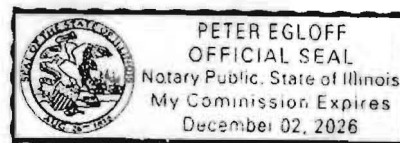
I, Adam B. Levin, being duly sworn, hereby certify that (a) I am Senior Account Executive at Miller Advertising Agency, Inc. and (b) I caused to be published a banner advertisement in *CoinDesk's Valid Points email newsletter* in the issues dated (1) **Wednesday, December 7, 2022**; (2) **Wednesday, December 14, 2022**; (3) **Wednesday, December 21, 2022** and (4) **Wednesday, December 28, 2022**. The advertisement linked those that clicked on it to the full-length Bar Date Notice. A copy of the advertisement and full newsletters are annexed.

X 
(Signature)

Sr. Acct. Exec.
(Title)

Sworn to before me this: 28th day of December, 2022


Notary Public



I The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey 07030.

Legal Notice

**NOTICE OF BAR DATES FOR SUBMITTING
PROOFS OF CLAIM AND CLAIMS UNDER
SECTION 503(B)(9) OF THE BANKRUPTCY CODE
AGAINST THE DEBTORS**

In re: **CELSIUS NETWORK LLC, et al.**

UNITED STATES BANKRUPTCY COURT, SOUTHERN DISTRICT OF NEW YORK

Chapter 11 Case No. 22-10964 (MG)

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[Celsius Network LLC](#), et al., have established bar dates for submitting proofs of claim. Persons and entities that agree with their claim as listed in the Schedules [Docket No. 974] need not submit a proof of claim. Otherwise, all persons and entities that assert a claim against Celsius Network LLC and its affiliates must submit a proof of claim before the applicable bar dates outlined in the Bar Date Notice [Docket No. 1368-1].



December 7, 2022

Valid Points

Breaking down Ethereum's evolution and its impact on crypto markets

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ETH Price

\$1,255.10

Market Cap

\$151.28B

Volume (24H)

\$4.44B

As of December 6, 2022 @ 22:49:49 UTC.

[ETH price % change over 24 hours.](#)

Welcome to Valid Points. In today's issue, [Sam Kessler](#) has an inside scoop on what OpenAI's ChatGPT thinks about the relationship between AI and DeFi. For an extended version of this article, [view the web post here.](#)

We offered the following prompt to ChatGPT: "Write a CoinDesk article about how AI might be used in decentralized finance." The bot returned six paragraphs. We've included the first five paragraphs verbatim.

We replaced the AI's concluding paragraph with its response to our follow-up prompt: "include risks as well as benefits." This yielded three paragraphs, which we again recorded verbatim.



Response by ChatGPT

As decentralized finance continues to grow in popularity, many are looking to artificial intelligence (AI) as a potential solution to some of the challenges facing this emerging technology.

Decentralized finance, or DeFi, refers to a system of financial transactions that are performed on a blockchain network. This allows for the creation of digital assets and the creation of smart contracts, which enable the execution of financial transactions without the need for intermediaries such as banks or other financial institutions.

One potential use case for AI in DeFi is the creation of more sophisticated and intelligent trading algorithms. These algorithms could be used to analyze market trends and make more accurate predictions about the direction of asset prices, helping traders to make more informed investment decisions.

Another potential application of AI in DeFi is in the creation of more advanced and efficient lending and borrowing platforms. By using AI algorithms, these platforms could automatically assess the creditworthiness of borrowers and set appropriate interest rates, reducing the risk of defaults and making the lending process more efficient.

Additionally, AI could be used in DeFi to improve the security of smart contracts and other blockchain-based financial transactions. By using machine learning algorithms, smart contracts could be automatically monitored and audited for potential vulnerabilities, helping to prevent hacks and other security breaches.

However, there are also potential risks associated with the use of AI in DeFi. One concern is that the use of AI algorithms in trading and lending could lead to the creation of "black box" systems that are difficult to understand and regulate. This could make it difficult for regulators to monitor and control these systems, and could also create potential risks for investors and borrowers.

Another potential risk is that AI algorithms could be subject to bias or manipulation, leading to unfair or inaccurate decision-making. For example, if AI algorithms are trained on biased or incomplete data, they could make decisions that are unfair or discriminatory. This could be particularly problematic in the context of lending and credit scoring, where the use of biased algorithms could lead to discrimination against certain groups of borrowers.

Overall, while the use of AI in DeFi has the potential to bring significant benefits, it is important for developers and regulators to carefully consider and address these potential risks. By taking a cautious and responsible approach, it may be possible to harness the power of AI to improve the capabilities of decentralized finance without creating unintended consequences.

Human here again

Pretty good, huh? It took some trial and error at the beginning, but once we crafted the magic prompt, ChatGPT managed to string together a relatively convincing (albeit dry) argument for how AI might be used in DeFi.

That being said, we're not sure ChatGPT is ready to take over this newsletter just yet. The bot *sounds* human, but it'll frequently manufacture facts out of thin air, and we had to weed through some pretty weird responses before landing on something fit to print (ask us about the time it wrote – incorrectly, for reasons that probably don't need explaining – that "Alameda Research is a quantitative trading firm that uses AI to make fast and accurate trades on decentralized exchanges").

If you are interested in reading a human take on how AI intersects with DeFi, CoinDesk [has you covered](#). While ChatGPT covered a lot of ground in its article, it did miss some key applications, such as [insurance](#) and key risks, including how on-chain AI could be used to manipulate markets or harm users through malicious [MEV](#) strategies.

Our journalism jobs are still safe, but one imagines that it won't be long before ChatGPT is explaining – maybe with a bit more color next time – not only how AI *could* transform DeFi, but how it already has.

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Pulse Check

The following is an overview of network activity on the Ethereum Beacon Chain over the past week. For more information about the metrics featured in this section, check out [our 101 explainer on ETH metrics](#).



Network Health

Network Participation Rate
Weekly Range

99.43% - 99.61%

Number of Validators

484,336 active + 0.89%
72 pending + 35

Total ETH Deposited

15,555,463 ETH + 0.79%
19.52 billion + 3.72%

Share of Total ETH Supply
Deposited

12.91%

*+ and - figures represent weekly changes to these metrics. Data as of
December 6, 2022, 22:27:27 UTC. Source: BeaconScan, Etherscan



Disclaimer: All profits made from CoinDesk's Eth 2.0 staking venture will be donated to a charity of the company's choosing once transfers are enabled on the network.



CoinDesk Validator Health

Historical Activity

147,953 attestations submitted **+ 1,577**

17 blocks proposed ***null**

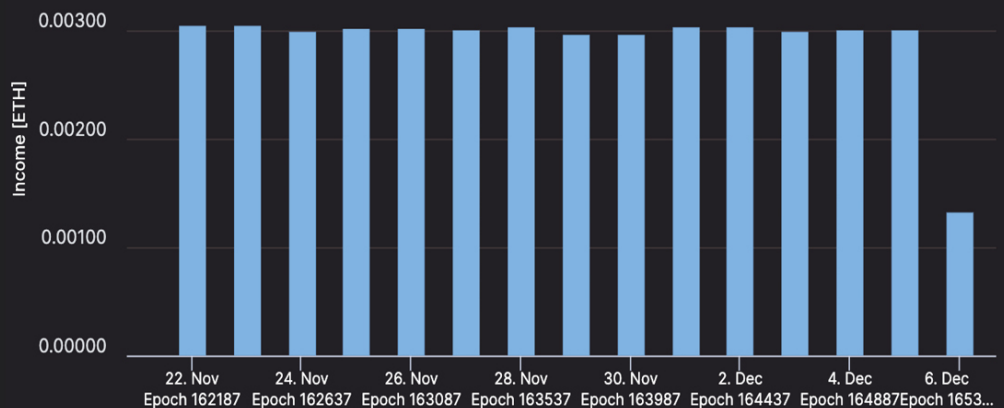
Weekly Revenue

+ 0.02107 ETH (+\$26.45)

Estimated APR

9.4%

Daily Income Over the Past Two Weeks



**+ and - figures represent weekly changes to these metrics. Data as of December 6, 2022, 22:27:27 UTC. Source: Beaconcha.in, BeaconScan.*



Validated Takes

Ether turns back to being inflationary.

- **WHY IT MATTERS:** Data from ultrasound.money shows ether's net issuance or annualized inflation rate has risen to 0.07%, after previously dropping below zero amid market volatility linked to FTX's collapse. Nick Hotz, vice president of research at digital-asset management firm Arca, attributed ETH becoming inflationary to a lack of network activity that led to reduced demand. [Read more here.](#)

East African bitcoin miner Gridless raises \$2 million in a seed funding round.

- **WHY IT MATTERS:** Gridless, a bitcoin mining company that helps generate new sources of energy in rural communities in East Africa, said Tuesday that it secured \$2 million in a seed investment round led by bitcoin venture-capital firm Stillmark and payments company Block, a firm that is led by Twitter co-founder Jack Dorsey. Gridless designs, builds and operates bitcoin mining sites alongside small-scale renewable energy producers in rural Africa where excess energy is often left unused. [Read more here.](#)

Chainlink launches staking.

- **WHY IT MATTERS:** Chainlink, a provider of price feeds and other data to blockchains, has introduced staking of its native token LINK to its network to help keep the protocol secure. Staking is setting the foundation for what the company calls Economics 2.0, its vision for the protocol to scale and become more efficient by providing the right incentives, Chainlink co-founder Sergey Nazarov said. [Read more here.](#)


Factoid of the Week



The largest liquidity pool by number of transactions on the Ethereum network is Uniswap's v3 USDC-WETH liquidity pool with 53,626 transactions in the past seven days, at time of press.

(Nansen)





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Open Comms

Valid Points incorporates information and data about CoinDesk's own Eth 2.0 validator. All profits made from the staking venture will be donated to a charity of our choosing once transfers are enabled on the network. For a full overview of the project, check out [our announcement post](#).

You can verify the activity of the CoinDesk Eth 2.0 validator in real time through our public validator key, which

0xad7fef3b2350d220de3ae360c70d7f488926b6117e5f785a8995487c46d323ddad0f574fdcc50eeefec34ed9d2

Search for it on any Ethereum block explorer site!



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December 14, 2022

Valid Points

Breaking down Ethereum's evolution and its impact on crypto markets

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ETH Price
\$1,1318.08

Market Cap
\$158.93B

Volume (24H)
\$8.73B

As of December 13, 2022 @ 22:39:58 UTC.

[ETH price % change over 24 hours.](#)

Welcome to Valid Points. In today's issue, [Sam Kessler](#) questions whether Binance can be trusted. For an extended version of this article, [view the web post here.](#)

Monday's [arrest of Sam Bankman-Fried](#) ("SBF") capped off a historic period in the world of memes, money and mayhem that is the cryptocurrency industry. The arrest of the FTX exchange founder drew mainstream headlines that greatly overshadowed the other big crypto story of the day: questions around the solvency of Binance, the largest cryptocurrency exchange by trading volume.

If the collapse of FTX was catastrophic for the burgeoning crypto industry, a collapse of Binance would be apocalyptic.



FTX – at one point the third-largest crypto exchange by spot volume – processed around \$37 billion in spot trades in October, the month before it collapsed, according to [CryptoCompare](#). The second-largest exchange, Coinbase, processed \$47 billion that month. Meanwhile, Binance’s spot trading volume in October totaled a whopping \$390 billion.

For over a month, Binance CEO Chanpeng Zhao (“CZ”), like other exchange leaders, has been on a quest to convince users that his product is wholly different from FTX – the SBF-led exchange that became insolvent after misusing user funds.

Like FTX, though, Binance is largely unregulated, and not everyone is buying CZ’s repeated assurances of propriety. Over the past week, a shoddy audit of the exchange’s reserves – followed by news of criminal investigations into Binance executives – alarmed users enough to catalyze record withdrawals from the platform.

While Binance appears to be weathering the storm so far (there are no glaring signs that the exchange has misappropriated user funds FTX-style), recent events have drawn attention to the fact that Binance, which exists beyond the scope of regulators and tracks customer holdings on its own servers rather than on public blockchains, asks for a tremendous amount of trust from its users in order to operate. In the “trustless” world of cryptocurrency, this is a bit hard to square.

Still, some users continue to trust Binance. Compared to FTX, the exchange offers a relatively tame feature set and has a longer record of success (by two years). Also, [on-chain data from Nansen](#) – which can provide a limited window into an exchange’s health – suggests that Binance is far better capitalized than FTX ever was.

While one can find some differences between Binance and FTX, it’s impossible to know what’s really going on at Binance behind the scenes.

The Binance founder – in a manner not dissimilar to one-time-nemesis SBF – has been increasingly active on Twitter of late. It’s not hard to figure out why: For an exchange that is barely regulated, PR becomes the only way to convince users that things are humming along as promised.

But, of course, a PR-blitz is also a double-edged sword. Just as CZ’s “all is well” [tweet threads](#) might well convince some users that his platform can be trusted, his statements will be viewed by others as a sign of desperation.

If Binance is undercapitalized – however unlikely such a scenario might be – it surely won’t want users to panic-withdraw and find out for themselves.

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Pulse Check

The following is an overview of network activity on the Ethereum Beacon Chain over the past week. For more information about the metrics featured in this section, check out [our 101 explainer on ETH metrics](#).



Network Health

Network Participation Rate
Weekly Range

96.55% - 99.58%

Number of Validators

487,396 active + 0.63%
29 pending - 43

Total ETH Deposited

15,649,271 ETH + 0.60%
\$20.64 billion + 5.74%

Share of Total ETH Supply
Deposited

12.98%

*+ and - figures represent weekly changes to these metrics. Data as of December 13, 2022, 22:43:34 UTC. Source: BeaconScan, Etherscan



Disclaimer: All profits made from CoinDesk's Eth 2.0 staking venture will be donated to a charity of the company's choosing once transfers are enabled on the network.



CoinDesk Validator Health

Historical Activity

149,531 attestations submitted **+ 1,578**

17 blocks proposed ***null**

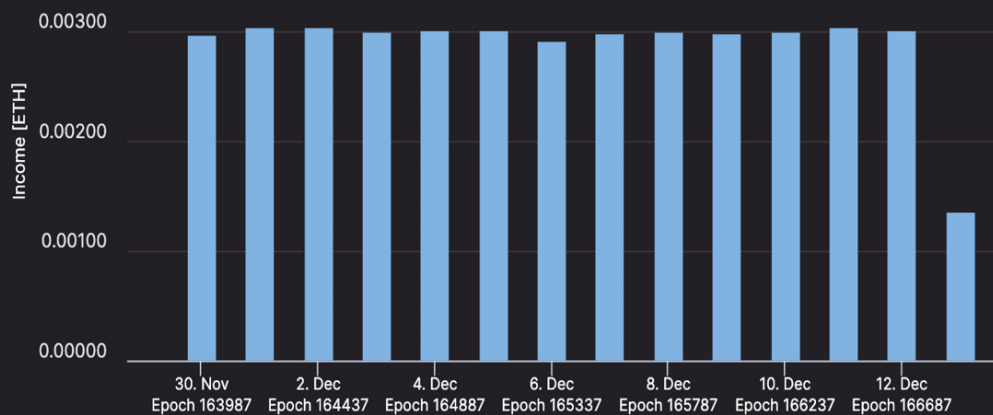
Weekly Revenue

+ 0.02092 ETH (+\$27.57)

Estimated APR

9.4%

Daily Income Over the Past Two Weeks



**+ and - figures represent weekly changes to these metrics. Data as of December 13, 2022, 22:43:34 UTC. Source: Beaconcha.in, BeaconScan.*



Validated Takes

CoinDESK integrated DESK, our evolving social token, to offer a tokenized reader experience.

- **WHY IT MATTERS:** On Dec. 6, readers gained the opportunity to earn DESK by reading articles, watching videos and other interactions on CoinDesk.com. We built DESK to be a mechanism for returning the value of engagement directly to users who create it. CoinDesk has no plans to monetize DESK. DESK does not have a limited supply, making it inflationary by design. Furthermore, buying, listing or selling DESK on decentralized exchanges is against our Terms of Service to protect users from treating DESK as an investment product. [Read more here.](#)

Grayscale Investments said a new decentralized finance (DeFi) fund has started trading on over-the-counter markets.

- **WHY IT MATTERS:** The trading debut for the new fund, under the symbol “DEFG,” comes as the shares of Grayscale’s largest fund, the Grayscale Bitcoin Trust (GBTC), are trading at a record 50% discount to the value of the underlying cryptocurrency. CoinDesk and Grayscale are both subsidiaries of Digital Currency Group. DEFG tracks the CoinDesk DeFi Index (DFX), which includes the likes of Aave, Uniswap and Compound. [Read more here.](#)

First-time and returning buyers have reached all-time highs in Polygon’s NFT ecosystem, and yet sales volumes are near all-time lows.

- **WHY IT MATTERS:** Polygon’s non-fungible token (NFT) market is currently experiencing significant increased adoption, thanks to its collaborations with name-brand companies such as Reddit. The surge in first-time and returning buyers in Polygon’s ecosystem comes even as NFT ecosystems on other chains such as Ethereum and Solana have a decreasing number of users per week. Martin Lee, senior data journalist at Nansen, tweeted, “My view is that the current adoption path ... at @0xPolygon helps to remove the current stigma and idea that NFT’s main value is speculation.” [Read more here.](#)

Factoid of the Week



Ethereum has 183 active developers, the most among blockchain protocols. Cosmos comes in second with 145 active developers, while Cardano places a close third with 137.

(Token Terminal)



2023
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Open Comms

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You can verify the activity of the CoinDesk Eth 2.0 validator in real time through our public validator key, which is 0xad7fef3b2350d220de3ae360c70d7f488926b6117e5f785a8995487c46d323ddad0f574fdcc50eeefec34ed9d2

Search for it on any Ethereum block explorer site!



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December 21, 2022

Valid Points

Breaking down Ethereum's evolution and its impact on crypto markets

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ETH Price
\$1,1213.92

Market Cap
\$146.30B

Volume (24H)
\$6.87B

As of December 20, 2022 @ 21:11:11 UTC.

[ETH price % change over 24 hours.](#)

Welcome to Valid Points. In today's issue, [Margaux Nijkerk](#) discusses how new relayers and community efforts have contributed to a decline in censorship on Ethereum's blockchain. For an extended version of this article, [view the web post here.](#)

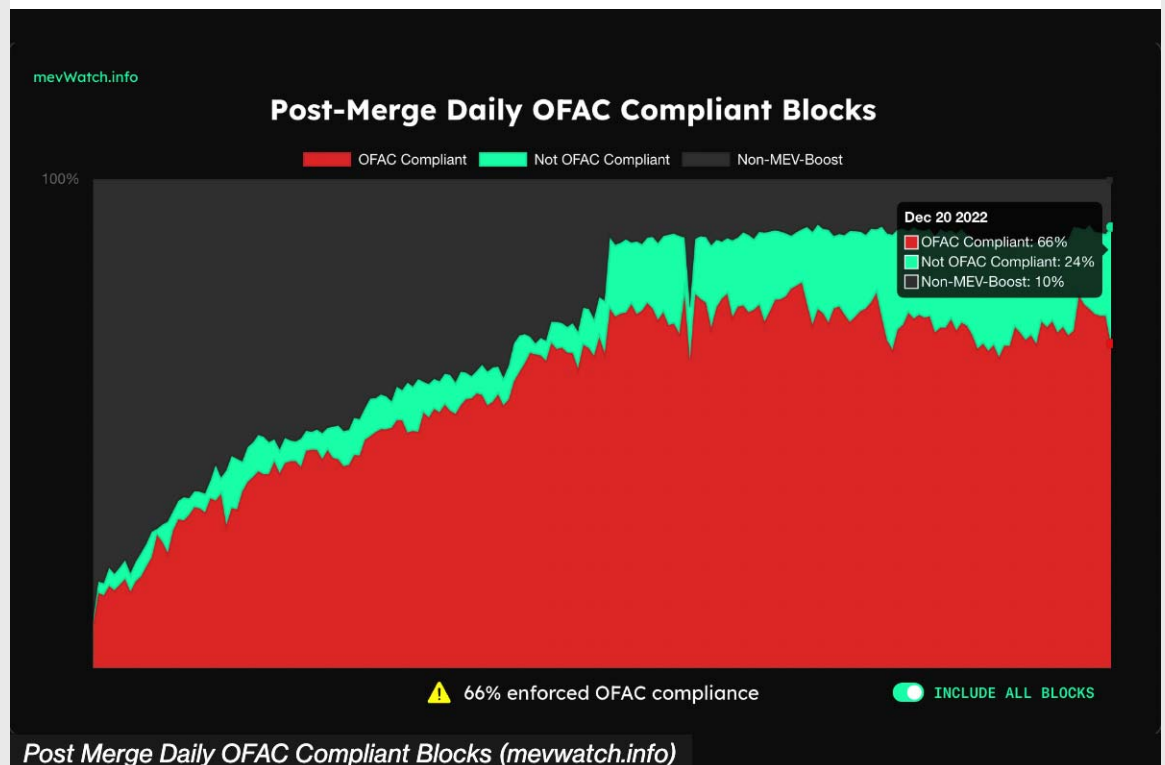
Ethereum's "censorship" problem has grown over the past few months, with some validators in charge of maintaining the blockchain's ledger ignoring certain transactions to comply with regulations. But crypto's anti-censorship purists may have reason to be hopeful.

In the past 24 hours, [66%](#) of blocks that made it onto the Ethereum blockchain were OFAC-compliant, meaning they excluded transactions involving parties sanctioned by the U.S. Treasury Department's Office of Foreign Assets Control.

Traditional institutions typically comply with government sanctions, but in the idealistic world of crypto what some call compliance others call censorship. As more and more Ethereum validators choose to comply with OFAC, sanctioned transactions are taking longer to make it onto Ethereum's chain, and ideological purists are arguing the

network is beginning to fall short on its founding commitments to financial freedom and neutrality.

But the tide may be turning, with the number of censored blocks on Ethereum seeing a steady decline between mid-November and mid-December. According to mevwatch.info, a watchdog site for monitoring Ethereum “censorship”, the highest number of censored blocks came on Nov. 21, when 79% of blocks relayed on Ethereum came from parties that exclude OFAC-sanctioned transactions. Since then, the lowest day was Dec. 9, when censored blocks made up 64%. Most days censorship sits at 68% to 72%.



So what is causing the steady decrease in OFAC-compliant blocks? In addition to community backlash against censorship, there are now more OFAC-agnostic ways of using MEV-Boost – a piece of third-party software that pre-assembles blocks for Ethereum validators.

MEV-Boost is a piece of software that allows validators – those who propose and approve “blocks” of transactions to Ethereum’s ledger – to request pre-made blocks from a network of builders. And ever [since the Ethereum Merge](#) in September, most of the blocks that make it onto the blockchain pass through this middleware component.

MEV-Boost was originally built to help validators extract MEV, or [Maximal Extractable Value](#) – additional profit that block builders and validators can receive from strategically reordering or including transactions within a block.

The software, which was built by Ethereum research and development firm Flashbots, was born out of the firm's efforts to solve some issues created by MEV, including [centralization](#) and [censorship](#). It was supposed to make it possible for any Ethereum validator, large or small, to easily bite out a piece of the MEV pie.

But problems arose with MEV-Boost after [OFAC sanctioned the Ethereum mixer program Tornado Cash](#) in August.

Validators that use MEV-Boost must select a third-party “relayer” tasked with delivering them pre-built blocks. Some of these relayers, out of sensitivity toward OFAC, automatically filter out blocks containing Tornado Cash transactions. These “censored” relayers included Flashbots' own relay, the one that most users of the MEV-Boost platform tend to use by default.

So in the weeks since this has all taken place, what has the community done to try to reverse Ethereum's censorship course?

Since [the last time I wrote about MEV-Boost](#), four new relayers that are noncensoring have entered the market. Those relayers are Agnostic, Relayoor, Ultrasound and Aestus.

Although they currently make up a tiny fraction of blocks relayed, there's now greater diversity for validators to connect with (six of the 10 relays that are now available are noncensoring).

Others attribute the decline in censorship to the fact that validators are more willing to connect to relays that are not Flashbots, now that they have become more comfortable with the MEV-Boost space.

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Network Health

Network Participation Rate
Weekly Range

99.42% - 99.63%

Number of Validators

490,057 active + 0.55%
36 pending + 7

Total ETH Deposited

15,727,143 ETH + 0.50%
\$19.12 billion - 7.36%

Share of Total ETH Supply
Deposited

13.05%

*+ and - figures represent weekly changes to these metrics. Data as of
December 20, 2022, 19:02:02 UTC. Source: BeaconScan, Etherscan



Disclaimer: All profits made from CoinDesk's Eth 2.0 staking venture will be donated to a charity of the company's choosing once transfers are enabled on the network.



CoinDesk Validator Health

Historical Activity

151,071 attestations submitted **+ 1,540**

17 blocks proposed ***null**

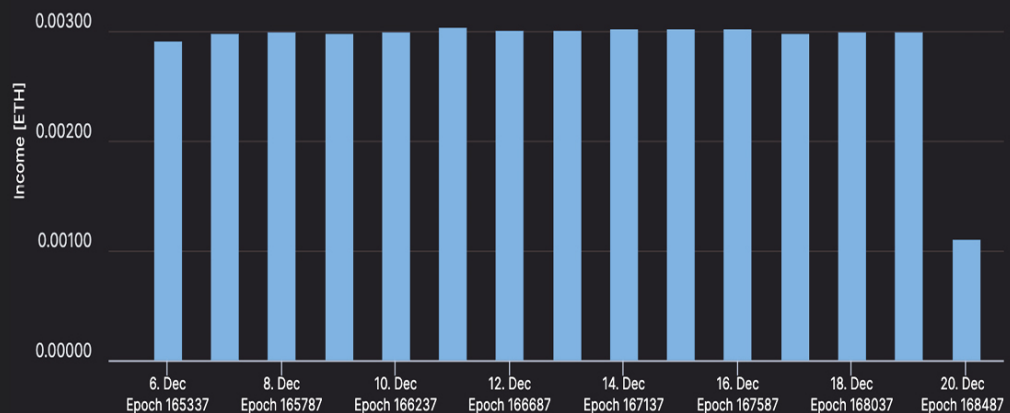
Weekly Revenue

+ 0.02113 ETH (+\$25.69)

Estimated APR

9.4%

Daily Income Over the Past Two Weeks



**+ and - figures represent weekly changes to these metrics. Data as of December 20, 2022, 19:02:02 UTC. Source: Beaconcha.in, BeaconScan.*



Validated Takes

Visa proposed automatic payments using the Ethereum layer 2 network StarkNet.

- **WHY IT MATTERS:** Payments processor Visa recently proposed a system known as “account abstraction” that uses smart contracts that can be used to enable automated programmable payments on Ethereum. This system allows for the creation of a self-custodial wallet that can make automatic recurring payments without requiring the active participation of the user. [Read more here.](#)

Polygon co-founder unveiled Beacon, a new Web3 accelerator.

- **WHY IT MATTERS:** “We’re creating Beacon because, as a network of Web3 founders and operators ourselves, we’re 100% committed to this idea of bringing the next 1 billion users into the space. With everything happening in the news, we know the odds are stacked against us,” Polygon co-founder Sandeep Nailwal said to CoinDesk in an email. Beacon hopes to stand out from other accelerators by building in-house software that can connect founders and investors. [Read more here.](#)

Yuga Labs named former Activision Blizzard President and Chief Operating Officer Daniel Alegre as new CEO.

- **WHY IT MATTERS:** The Web3 startup behind Bored Ape Yacht Club said Monday Alegre will be joining the company as CEO, effective in the first half of 2023. In April 2020, Alegre was named president and chief operating officer of Activision Blizzard, the powerhouse gaming company behind titles like Call of Duty, World of Warcraft and more. “Throughout my career, I have sought to build disruptive and innovative platforms that provide long-term value to consumers,” Alegre told CoinDesk. “Web3 presents an opportunity to reinvent how content is used, transacted and owned across the globe.” [Read more here.](#)

Factoid of the Week



The average case block size on the Ethereum network in December 2022 is about 77 KB, while the average case block size in 2022 is some 86 KB

(Etherscan)



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December 28, 2022

Valid Points

Breaking down Ethereum's evolution and its impact on crypto markets

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ETH Price
\$1,1209.76

Market Cap
\$148.05B

Volume (24H)
\$4.22B

As of December 27, 2022 @ 4:38 PM EST.

[ETH price % change over 24 hours.](#)

Welcome to Valid Points. In today's issue, [Sam Kessler](#) reviews the five major themes that have defined Ethereum's rollercoaster year. For an extended version of this article, [view the web post here.](#)

In 2022, Ethereum ticked off several boxes on its checklist toward creating a global computer and decentralized financial system. Most notably, the second-largest blockchain finally completed its radical shift to a new, vastly more energy-friendly system for powering its network.

But the year was also marked with problems – from concerns around censorship to record-shattering hacks on Ethereum-linked infrastructure.

1. The Merge

Any recap of Ethereum's 2022 would be incomplete without mention of the Merge – the blockchain's massive, [years-in-the-making upgrade](#) to a more energy-efficient system for processing transactions.

Ethereum's switch to [proof-of-stake from proof-of-work](#), which happened in September, marked a massive reduction to the network's energy footprint, ditching a power-hungry crypto mining system in favor of a new method for issuing and validating transactions on the blockchain.

Although the Merge did not address Ethereum's relatively high transaction costs and slow network speeds, it is estimated to have cut the network's energy consumption by around 99%.

2. MEV and flashbots

Ethereum's Merge ushered in changes to the world of [MEV, or Maximum Extractable Value](#).

As the [Ethereum Foundation](#) explains, "Maximal extractable value (MEV) refers to the maximum value that can be extracted from block production in excess of the standard block rewards and gas fees by including, excluding, and changing the order of transactions in a block."

In 2020, the [research firm Flashbots](#) burst onto the scene with a system designed to mitigate some of the issues with centralized MEV. That system, an auction house for MEV-optimized blocks, became responsible for around [50% of all Ethereum blocks](#) by September's Merge. From January to September 2022, Flashbots netted over \$200 million in profit for miners according to the company's [public dashboards](#) – turning MEV from a nuisance into an entire cottage industry.

Once the Merge hit and changed the way blocks are produced on Ethereum, Flashbots only grew in importance. Its new system for spreading out the spoils of MEV, called [MEV-Boost](#), is currently used as a go-between for [90% of the blocks](#) on Ethereum's new proof-of-stake network.

Though Flashbots' 2022 has undoubtedly been a year of success, the company has faced rising concern that it is making Ethereum's block production apparatus too centralized – an ironic charge given that Flashbots initially came along with the goal of mitigating centralization.

3. Censorship and centralization

Over the Summer, the U.S. Treasury Department's Office of Foreign Asset Control (OFAC) made headlines when it sanctioned Tornado Cash – an Ethereum-based program for obscuring the source of crypto transactions. Some blockchain developers thought that OFAC, by sanctioning a smart contract, violated free speech. OFAC's order also left open a [series of questions](#) about what it means to “facilitate” a transaction on a blockchain.

Along with certain validators, Flashbots – and some of the more popular third-party “relayers” that deliver blocks to validators using Flashbots' MEV-Boost program – have taken actions that curtail the ability for Tornado-linked transactions to make it onto the Ethereum ledger.

According to [MEV Watch](#) – a watchdog group that tracks Ethereum censorship – around 70% of the blocks that get added to Ethereum's network each day are OFAC-compliant, meaning they are assembled to exclude (or “censor”) transactions from OFAC-sanctioned addresses.

For those who believe Ethereum should be a “credibly neutral” platform, blocking off sanctioned transactions in any form amounts to a kind of censorship – even if, for now, those transactions can still find ways onto Ethereum's ledger, albeit at a slight delay relative to other transactions.

Legal Notice

**NOTICE OF BAR DATES FOR SUBMITTING
PROOFS OF CLAIM AND CLAIMS UNDER
SECTION 503(B)(9) OF THE BANKRUPTCY CODE
AGAINST THE DEBTORS**

In re: **CELSIUS NETWORK LLC, et al.**

UNITED STATES BANKRUPTCY COURT, SOUTHERN DISTRICT OF NEW YORK

Chapter 11 Case No. 22-10964 (MG)

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[Celsius Network LLC](#), et al., have established bar dates for submitting proofs of claim. Persons and entities that agree with their claim as listed in the Schedules [Docket No. 974] need not submit a proof of claim. Otherwise, all persons and entities that assert a claim against Celsius Network LLC and its affiliates must

submit a proof of claim before the applicable bar dates outlined in the Bar Date Notice [Docket No. 1368-1].

4. Scalability and zero knowledge

At the peak of crypto's bull run in 2021 and the early months of 2022, Ethereum – the second-largest blockchain by transaction volume – became virtually unusable for some people as a result of its high fees and slow speeds relative to some newer blockchains. But 2022 saw major improvements in this domain with the growing popularity of layer 2 networks (e.g. Arbitrum and Optimism) and sidechains (e.g. Polygon) – separate networks that process transactions for cheap and then “settle” them on the main Ethereum blockchain.

2022 was also the year of the [zero-knowledge \(ZK\) rollup](#), layer 2 chains that use fancy ZK cryptography in order to guarantee transaction integrity. This past fall, several firms – among them, Polygon, Matter Labs and Scroll – made major progress in the development of [so-called zkEVMs](#), which are ZK-rollups that can host any Ethereum smart contract (previously, ZK rollups were limited to specific applications and use-cases).

As Ethereum's layer 2 chains [duke it out](#) over the next several months and years, it's expected that one (or several) of them will eventually become the primary means by which most users access Ethereum in the years ahead.

5. Mishaps and mayhem

One would be remiss to discuss Ethereum's 2022 without mentioning the myriad of blowups, hacks and failures that have made this year one of the most disastrous in crypto history.

According to [Rekt](#), a website that keeps a running list of DeFi exploits ordered by the amount of money lost, seven of the 10 largest-ever DeFi hacks occurred in 2022.

Ethereum's core code has never been the victim of an exploit, but most of the big DeFi thefts of this past year (e.g. [Ronin](#), [Wormhole](#)) nonetheless wrought havoc on users of Ethereum's DeFi ecosystem. They showed, moreover, that

apps on Ethereum and other blockchains – particularly, the bridges that let you send assets from chain to chain – have a long way to go in terms of security.

But the failures of the past year were also proof for many of the necessity of decentralized financial infrastructure. [The much-publicized FTX exchange fiasco](#), wherein Sam Bankman-Fried and his associates allegedly stole around \$8 billion in user funds, was only possible because people entrusted their money with an intermediary.

Future Ethereum development, as with past development, will focus on ensuring that users can transact and store assets *without* the use of middlemen.



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